

Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION
INTELLIGENCE DIVISION

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THE PACIFIC ISLANDS REGION



OVERVIEW

Local, national, and international law enforcement agencies increasingly are concerned about the transshipment of cocaine, heroin, marijuana, and methamphetamine through the Pacific Islands Region. Furthermore, the Pacific Islands Region not only serves as a growing area for cannabis, but also as a production area for crystal methamphetamine, or Ice, and as a money-laundering center for drug proceeds.

Between 7,500 and 10,000 remote islands lay within this region, which have a combined land mass approximately the size of France. The isolation of the islands, midway between drug source areas in East Asia and South America, facilitates the illicit drug trade. Fiji, Tahiti, and Tonga appear to be significant transshipment points for drugs transiting the South Pacific.

Analyst note: Australia and New Zealand are not covered in depth in this report because they are discussed in separate country briefs.

PACIFIC ISLAND REGION NATIONS AND PROTECTORATES INCLUDED IN THIS DRUG INTELLIGENCE BRIEF

DEA Canberra in Australia monitors these island groups unless otherwise noted.

- **American Samoa** [U.S. Protectorate covered by DEA Los Angeles]
- **Cook Islands** [New Zealand]
- **Federated States of Micronesia** (also known as Caroline Islands) [In a free association pact with the U.S. Government - covered by DEA Los Angeles]
- **Fiji**
- **French Polynesia** (also known as Tahiti-Marquesas) [France]
- **Guam** [U.S. Protectorate covered by DEA Los Angeles]
- **Kiribati** [Covered by DEA Manila]
- **Marshall Islands**
- **Nauru** [Covered by DEA Manila]
- **New Caledonia**
- **Niue** [New Zealand]
- **The Commonwealth of the Northern Mariana Islands** [U.S. Protectorate covered by DEA Los Angeles]
- **Palau**
- **Papua New Guinea**
- **Pitcairn** [United Kingdom]
- **Independent State of Samoa** (also known as Western Samoa)
- **Solomon Islands**
- **Tokelau**
- **Tonga**
- **Tuvalu**
- **Vanuatu**
- **Wallis and Futuna** [France]

Marijuana is the drug of choice in the Pacific Islands Region due to its availability and low price. Marijuana not only originates in the region, but also transits the region from other areas of the world.

The Pacific Islands Region is becoming a significant transit and consumption area for crystal methamphetamine. China and the Philippines are the major sources for crystal methamphetamine, which transits through, or is consumed in, the region. Although there is very limited law enforcement reporting on laboratory seizures in the region, there are indications that Asian drug trafficking groups may be establishing crystal methamphetamine laboratories there.

CULTIVATION, PROCESSING, AND TRAFFICKING

Cannabis

Illicit drug cultivation in the Pacific Islands Region is mainly limited to cannabis grown for domestic use; however, marijuana from this region has been found in other parts of the world. Wild growth of cannabis occurs on many of the region's islands, including Australia, New Zealand, Fiji, Papua New Guinea, the Federated States of Micronesia, American Samoa, and the Independent State of Samoa (Western Samoa).

The volume of marijuana seized in the region is not considered significant when compared to major cannabis cultivation areas of the world. Marijuana production estimates and actual seizures in the major cultivation areas are measured in metric tons. In the Pacific Islands, however, there are no production estimates but most seizures are measured in the number of plants. For example, in 2002, 1,494 metric tons of marijuana were seized in Mexico. In contrast, Guam authorities seized a total of approximately 2,900 cannabis plants in 2002.

One of the main sources of marijuana in the region is the island of Papua New Guinea, where cannabis is cultivated, harvested, stockpiled, and then transported to Australia, New Zealand, and other nearby areas. Although no major international organized crime group dominates drug trafficking in Papua New Guinea, the country's marijuana, in limited quantities, can be found as far away as Italy and the United States.

Guam's primary source of marijuana is Palau. In November 2002, a series of law enforcement actions, related to a local cannabis eradication program, seized approximately 2,900 plants from over 50 cannabis farms on one of the islands of Palau.

Fiji has an increasing problem with the cultivation and sale of marijuana. The western island of Viti Levu is the main cannabis cultivation area in Fiji.

New Caledonia is one of several islands used for large-scale importation of marijuana from Pakistan, the Philippines, and Thailand.

Cannabis cultivation has increased on some of the islands due to depressed economic conditions, such as the declining coffee market on Papua New Guinea, and the closure of sugar plantations on American Samoa.

Crystal Methamphetamine

The Pacific Islands Region is developing into a significant transit and consumption area for crystal methamphetamine. China and the Philippines are the major sources for crystal methamphetamine found in the region. There is periodic media reporting about possible small-scale laboratories throughout the region, specifically on American Samoa and Western Samoa.

However, the increasing significance of crystal methamphetamine in the region was recently highlighted by a large seizure on Fiji on June 9, 2004. The New Zealand Police Clan Lab Team and Australian Federal Police Forensic Services Unit assisted the Fiji Police Force and the Fiji

Customs Service in seizing a crystal methamphetamine “super” laboratory. As a result of the raid, law enforcement seized 5 kilograms of finished crystal methamphetamine, 700 liters of liquid methamphetamine, and enough precursor chemicals to produce an additional 1,000 kilograms of methamphetamine. The raid also resulted in the arrest of six individuals associated with an Asian organized crime group that had been operating throughout Southeast Asia.

Due to their proximity to China and the Philippines, and their large international airports, Guam and the Northern Mariana Islands are transit zones for crystal methamphetamine shipped to the U.S. West Coast and the Hawaiian Islands. Guam and the Northern Mariana Islands are now also consumer markets for crystal methamphetamine from China, Hong Kong, Japan, the Philippines, South Korea, and Taiwan.

The primary trafficking methods for crystal methamphetamine are body carry by couriers on commercial airlines and parcel delivery services. The drug is also smuggled onboard fishing vessels, where it is often concealed in dead fish kept in coolers. These coolers are transferred to smaller boats some 20 miles off the coast before delivery ashore. According to reporting from the Northern Mariana Islands, subgroups of the Yakuza (Japanese organized crime) are actively involved in crystal methamphetamine trafficking on the island of Saipan.

Cocaine and Heroin

Drug trafficking occurs both eastbound and westbound through the region. South American cocaine is smuggled into Southeast Asia and Australia, while Southeast Asian heroin and methamphetamine are smuggled by couriers into Canada, and to a lesser extent, into the United States. According to law enforcement reporting, Tahiti is a transit point for cocaine smuggled from South America to Australia via airline couriers. Along this route, couriers travel mostly from Argentina and Chile, stop over in Tahiti, and then continue on to a final destination, usually Australia. Cocaine has also been seized on Fiji and Tonga in containerized cargo shipments that were bound for Australia.

Cocaine and heroin have been seized throughout the region. The largest seizures, such as the metric ton of cocaine seized in July 2001, generally occur in Australia.

Precursor Chemicals

There are no nations with significant chemical industries in the Pacific Islands Region. The extent of precursor chemical trafficking throughout the region is unknown. Very few shipments have been detected from the large volume of maritime cargo that transits the region.

MONEY LAUNDERING

The Pacific Islands Region is extremely susceptible to money laundering activities. Many local authorities often place the blame for this vulnerability on weak banking and financial institution practices, lack of legislation, and inexperienced investigators. Some of the island nations, such as Nauru, appear to be developing as money laundering centers. Nauru is second only to the Cayman Islands in the Caribbean as the world's largest tax haven.

Nearly one quarter of the world's 55 offshore financial service centers are in the Asia-Pacific Region. Half of all Russian offshore bank accounts are in the Pacific Region. Criminal organizations are attracted to the minimal entry standards, lack of regulatory control, and rigorously enforced secrecy law of centers that offer offshore business.

DRUG ABUSE AND TREATMENT

Drugs of Choice

Marijuana is the drug of choice for most abusers throughout the region, due to its availability and low price. The abuse of crystal methamphetamine, with the purity reaching as high as 97 percent, is now a concern for countries throughout the region. Officials in the Northern Mariana Islands consider crystal methamphetamine abuse an epidemic. Distribution locations for crystal methamphetamine in Guam and the Northern Mariana Islands include businesses such as karaoke clubs and massage parlors, which are frequented by young adults. 3,4-methylenedioxymethamphetamine (MDMA, or Ecstasy) is becoming a drug of choice in Australia and New Zealand, and may soon spread to the rest of the region.

Addict Population

Since each of the islands in the region has a relatively small population, addict population numbers are not often reported. One survey by the U.S. National Institute on Drug Abuse reported that marijuana use in the region ranged from 2 percent of the population in the Marshall Islands to 34 percent in Palau. In American Samoa, authorities link recent increases in violent crime to the abuse of crystal methamphetamine on the island. Officials for the Northern Mariana Islands attribute 100 percent of their drug crimes to crystal methamphetamine.

Treatment and Demand Reduction Programs

Since the island nations have relatively small populations, there are few treatment centers, or demand reduction programs. Australia and New Zealand have robust programs that serve as models for other nations in the region.

DRUG LAW ENFORCEMENT AGENCIES AND LEGISLATION

There is limited information available on law enforcement agencies in the region. DEA and other Federal law enforcement agencies maintain a significant presence on some islands, specifically the U.S. protectorates. Other islands have only small undermanned forces with obsolete equipment and inadequate drug control laws passed by the local legislatures.

Many efforts are being made to enhance the law enforcement situation throughout the region. The New Zealand Police is increasing its presence on many islands throughout the region. The Australian Federal Police (AFP) maintains a presence throughout the region with liaisons to many of the law enforcement agencies. The AFP funds Transnational Crime Teams on various islands in the area. These teams work closely with the AFP to target international criminal organizations operating in the region.

In 2003, the Australian and New Zealand Governments agreed to finance the South Pacific Regional Police Initiative. This initiative will focus on the establishment of a regional training center in Fiji. The goal of this program is the standardization of training and equipment for law enforcement agencies in the region.

The Pacific Island Forum (PIF) was formed in 1971, and includes all the independent and self-governing Pacific Island countries, plus Australia and New Zealand. The PIF's mission is to work in support of member governments; to enhance the economic and social well being of the South Pacific people; to foster cooperation between governments and international agencies; and to represent the interests of its members. PIF meetings focus heavily on regional trade and economic development issues and, in recent years, the environment. PIF members develop legislation on extradition, mutual assistance in criminal matters, and forfeiture of the proceeds of crime.

Because many PIF members are hampered by a lack of resources, the United Nations (U.N.) Global Program Against Money Laundering, along with the United States, Australia, and New Zealand, provide assistance to the other PIF members through the PIF Secretariat. This assistance enables the member nations to develop and enact laws and procedures to prevent terrorism and transnational crime and to comply with the provisions of the U.N. Security Council Resolution 1337 and the Financial Action Task Force Special Recommendations on Terrorist Financing.

TREATIES AND CONVENTIONS

There are no international or regional treaties or conventions that cover drug control laws or law enforcement coordination and cooperation for all of the nations in the Pacific Islands Region. Australia, Fiji, Kiribati, and the Federated States of Micronesia are active members of Heads of National Drug Law Enforcement Agencies, Asia and the Pacific (HONLEA). At recent meetings of HONLEA, members have discussed issues, such as the illicit manufacture and distribution of stimulants, drug courier profiling, and the need for training.

A Pacific Island Region venue for the direct exchange of information on law enforcement information, including illicit drug trafficking, is the South Pacific Islands Criminal Intelligence Network (SPICIN). This network is managed through its computerized control center in American Samoa. SPICIN is the only law enforcement criminal intelligence network in the Pacific Basin. However, due to a lack of effective participation, mainly caused by under-funded Pacific Island police forces, SPICIN is not being utilized to its full potential. At the 2003 Conference in Brisbane, discussions focused on the need to revamp or replace this network.

OUTLOOK

The Pacific Islands Region is an active illicit drug cultivation, production, trafficking, and money laundering area. The noticeable increase in the availability and use of crystal methamphetamine in the region is a primary law enforcement concern. In American Samoa, for example, the increase in violent crimes is directly linked to the escalating crystal methamphetamine problem, and the Northern Mariana Islands attribute 100 percent of their drug crimes to crystal

methamphetamine. The high purity of the drug (97 percent) in areas, such as Guam and the Northern Mariana Islands, is cause for alarm.

Islands, such as Fiji and Guam, which are located within major shipping lanes and airline routes, create the potential for increasing shipments of crystal methamphetamine from China and the Philippines and Southeast Asian heroin through the region. In June 2004, a crystal methamphetamine “super” laboratory was discovered in Fiji. Although the volume of Southeast Asian heroin decreased from the high levels in the late 1980s in Guam, availability of heroin on the island may increase sharply with new airline flights between Guam and Thailand.

The Pacific Islands Region is very susceptible to money laundering activities. Nauru, for example, ranks second only to the Cayman Islands in the Caribbean as the world’s largest tax haven. Half of all Russian offshore bank accounts are held in the Pacific with a total of US\$80 billion passing through Nauru. Nearly one quarter of the world’s offshore financial centers are located in the Asia-Pacific Region.

Except for Australia and New Zealand, law enforcement efforts throughout the region continue to be sporadic at best due to limited manpower, inadequate equipment, and large expanses of unpatrolled territory for traffickers to conduct their smuggling activities. Many governments in the region are using the PIF to enhance the economic and social well being of their populations in order to eliminate several poverty-related problems, including drug abuse. However, until law enforcement efforts improve, drug trafficking through the region will likely increase.